A BILL FOR AN ACT

RELATING TO LONG-TERM CARE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1	SECTION 1. The Hawaii Revised Statutes is amended by
2	adding a new chapter to title 20 to be appropriately designated
3	and to read as follows:
4	"CHAPTER
5	LONG-TERM CARE PARTNERSHIP PROGRAM
6	§ -1 Purpose. The purpose of the long-term care
7 .	partnership program is to encourage people to purchase long-term
8	care insurance in return for allowing the total amount of
9	benefits paid under a qualified individual long-term care policy
10	as an asset disregard, dollar for dollar, when applying for
11	medicaid. The program is intended to reduce future medicaid
12	costs for long-term care by delaying or eliminating dependence
13	on medicaid by providing incentives for individuals to insure
14	against the potentially high costs of long-term care.
15	§ -2 Definitions. For the purposes of this chapter:
16	"Assets" means real and personal property, income, and any
17	other economic resources owned, earned, or attributable to an

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individual.

1	"Certified long-term care insurance partnership policy"
2	means a policy provided by a producer in accordance with chapter
3	431 and approved by the department that:
4	(1) Meets all of the requirements of a qualified long-term
5	care insurance contract as defined in section 7702B(b)
6	of the Internal Revenue Code; and
7	(2) Was issued not earlier than the effective date of the
8	state plan amendment.
9	"Department" means the department of human services.
10	"Medicaid" means the program for medical assistance
11	established under 42 United States Code chapter 7, subchapter
12	XIX, or any successor program.
13	"Partnership" means a cooperative agreement between the
14	federal government and the division of the department of human
15	services that is the federally designated single state agency
16	charged with administration and supervision of the state
17	medicaid program.
18	"State plan amendment" means the state medicaid plan
19	amendment made to the federal Department of Health and Human
20	Services that provides for the disregard of any assets in an

amount equal to the insurance benefit payments that are made to

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- 1 or on the behalf of an individual who is a beneficiary under a
- 2 certified long-term care insurance partnership policy.
- 3 § -3 Long-term care partnership established. (a) The
- 4 department shall establish a long-term care partnership program
- 5 that enables an individual who has assets that would otherwise
- 6 disqualify the individual from receiving medicaid benefits to
- 7 receive medicaid benefits; provided that the individual
- 8 purchases and maintains a certified long-term care insurance
- 9 partnership policy.
- 10 (b) All certified long-term care insurance partnership
- 11 policies authorized under this chapter shall include a provision
- 12 that specifies that the certified long-term care insurance
- 13 partnership policy shall be the primary payer of long-term care
- 14 costs and that medicaid shall be the secondary payer.
- 15 § -4 Eligibility for long-term care benefits under
- 16 medicaid; assets not considered. Notwithstanding any other law
- 17 to the contrary, an individual who purchases a certified long-
- 18 term care insurance partnership policy and has assets above the
- 19 eligibility levels for receipt of medicaid benefits shall be
- 20 eligible to receive medicaid benefits and any other long-term
- 21 care services specified by the department without regard to the
- 22 individual's assets.

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-5 Amendments to medicaid rules and state plan. 1 2 The department shall prepare a state plan amendment to seek 3 appropriate amendments to its medicaid rules and state plan to 4 allow protection of assets pursuant to section 5 protection shall be provided to the extent approved by the 6 federal Centers for Medicare and Medicaid Services for any 7 purchaser of a certified long-term care insurance partnership 8 policy and shall last for the life of the purchaser. protection shall be provided under the medicaid program. Any 9 10 purchaser of a certified long-term care insurance partnership 11 policy shall be guaranteed coverage under the medicaid program 12 if the individual meets all other applicable eligibility requirements for the receipt of medicaid benefits that are not 13 related to the individual's assets. 14 The department shall seek any federal waivers and 15 approvals necessary to accomplish the purposes of this chapter. 16 -6 Certification of policies or plans. The department 17 S 18 of commerce and consumer affairs shall certify a policy as a certified long-term care insurance partnership policy only if it 19 20 meets the requirements of chapter 431, 42 United States Code

1396p, and section 7702B(b) of the Internal Revenue Code.

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- 1 § -7 Rules. The department shall adopt rules pursuant
- 2 to chapter 91 to implement this chapter.
- 3 § -8 Long-term care partnership program outreach. The
- 4 department shall establish an outreach program to educate
- 5 consumers about the need for long-term care, the mechanisms for
- 6 financing long-term care, the availability of long-term care
- 7 insurance, and asset protection provided under this chapter.
- 8 The department shall coordinate with the executive office on
- 9 aging to establish the program."
- 10 SECTION 2. This Act shall take effect upon its approval.

Report Title:

Long-term Care Partnership Program

Description:

Establishes the long-term care partnership program to allow individuals who purchase certified long-term care insurance policies to receive medicaid benefits without regard to the individual's assets. (SD2)

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